

OPEN MEETING AGENDA ITEM ORIGINAL

Jennifer Ybarra

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From: Toby Rolt [toby@brilliantgreenenergy.com]
Sent: Tuesday, June 08, 2010 3:50 PM
To: Newman-Web
Subject: Solar City Corporation Adjunction
Attachments: Newman.pdf



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Commissioner Newman,
Please see the attached letter regarding pertinent information on the Solar City Corporation Adjunction.



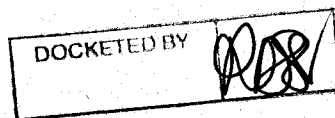
be brilliant be green

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Tuesday, June 08, 2010

Commissioner Paul Newman
Arizona Corporation Commission
1200 W. Washington
2nd Floor
Phoenix, AZ 85007

Reference: **Solar City Corporation adjudication**, Opinion rendered by Law Judge
Jane L Rodda

Commissioner Newman:

I serve as the CEO for Brilliant Green Energy, Inc. (BGE), a renewable energy integrator with its head office in Phoenix.

At BGE we have approximately \$20,000,000 in contracts with nonprofit groups in Arizona. Our stabilizing operational budget proposals have alleviated a great deal of stress caused by falling donations. It has taken over 18 months to put these deals together. We expect to install 3 MW of DG power for 501-C3's by the end of December this year. We will ramp up employment to several hundred permanent as well as temporary jobs, including; legal, accountancy, engineering, drafting, architectural, concrete, roofing, steel work, heavy equipment operators, electricians, transport, catering.....

I'd like to applaud the Commission for its efforts to date in supporting renewable energy production in general and solar in particular. The Commission has exhibited laudable leadership and foresight given Arizona's overall location and standing both geographically and economically.

The Commission knows that Arizona does not have the water required to cool traditional power plants economically in the future. It knows also that the Yucca Mountain (Nevada) nuclear waste disposal centre is to be closed because of the \$9Bn price tag to keep it open; leaving 542 metric Tons of radioactive waste to be dealt with. At what cost? The Financial Times (London 6/6/10) front page stated that the International Energy Agency (IEA) will be recommending pressure be brought to all G20 nations this month in Toronto to stop all subsidy of fossil fuel immediately. Their calculations are based on 2008 figures and total \$557Bn which is 75% higher than estimated. The ACC no doubt, is aware that Nuclear, Coal, Gas and Oil enjoy expansive federal subsidies at this time.*

The Commission is therefore aware that colossal upward pressure is being placed on the costs of future power generation. It is likely that 'fair and reasonable' electricity rates will reach 3 or 400% of today's kWh price within 10 years**. Presumably that knowledge

partly informed the ACC's implementation of the consumer's de facto insurance policy of a 15% Renewable energy portfolio standard.

Whilst our contracts are not strictly PPA's or SSA's our investors have indicated a reluctance to continue if the Commission sides with SRP against Solar City. BGE already has the ongoing effects of Rep Lesko's ill considered HB2701 that unsettled investors. We now have to explain 1070 to our Asian colleagues. (I was in China when that news broke and it was not covered positively).

A ruling based entirely upon Judge Rodda and staffs academic reading of the issues, would be the final straw for many financiers. Frankly BGE would not expect our AZ commercial projects to survive a ruling against Solar City in this case, at this time. The stability of other markets is very attractive to investors and will override any residual loyalty they may have to AZ.

I know that you are an avid supporter of solar already so this gives you a few facts and figures to help illustrate the importance of this decision for the industry in this state.

Sincerely,



Toby Rolt (CEO)

*I can submit the Environmental Law Institute's report, Sept 2009.

** Assumptions based on future cost of money, EPA regulatory requirements, lack of cheap water in western states, population growth, infrastructure maintenance costs and litigation costs.